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Cooperation of Business Areas as an Organizational Component of Development

Abstract

The article examines the cooperation of business directions as a strategic organizational component that ensures sustainable enterprise development in a highly dynamic and competitive business environment. In the context of increasing market volatility, digital transformation, and growing complexity of organizational structures, effective cooperation among business directions becomes a critical factor for enhancing adaptability, innovation capacity, and overall organizational performance. *The purpose of the study* is to substantiate the theoretical foundations of business direction cooperation and to identify strategic and organizational mechanisms that facilitate its effective implementation within enterprise management systems. *The objectives* of the research include analyzing contemporary approaches to organizing interaction among business directions, identifying key forms and principles of cooperation, and assessing their influence on organizational development parameters such as adaptability, innovation activity, and efficiency of resource utilization. The study also considers the role of cooperation in generating synergistic effects, improving strategic alignment, and strengthening enterprise competitiveness. *The methodological framework* of the paper is based on systems approach that combines qualitative and analytical methods, including theoretical generalization, comparative analysis of organizational models, structural and logical modeling, and synthesis of best management practices. *The research findings* demonstrate that a higher level of cooperation among business directions contributes to the formation of integrated decision-making processes, reduces functional fragmentation, and enhances the scalability of enterprise development. It is shown that the implementation of cross-directional coordination mechanisms, cross-functional teams, and digital collaboration platforms significantly improves the coherence of managerial actions and supports innovation-driven growth. *The study substantiates* that cooperation of business directions should be institutionalized as a core element of organizational design and strategic management. The proposed recommendations provide practical guidance for enterprise managers in developing coordination structures, aligning performance indicators, and fostering a culture of collaboration. The results of the research expand the theoretical understanding of internal organizational cooperation and offer practical directions for strengthening enterprise development in the long-term perspective.

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Modern enterprises increasingly operate as complex multi-component systems that combine several business directions oriented toward different markets, products, or technologies. Under conditions of globalization, digitalization, and growing turbulence of the external environment, the effectiveness of enterprise development is determined to a lesser extent by the performance of individual directions and to a greater extent by the organization's ability to ensure their coordinated interaction. Therefore, cooperation among business directions is gradually

Keywords

cooperation, business directions, organizational development, enterprise management, synergy, strategic alignment, cross-functional interaction, adaptability, innovation activity, resource efficiency

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transforming from an auxiliary managerial tool into a strategically important organizational component of development.

Intensifying competition, shortening product life cycles, and the need for rapid implementation of innovations create a demand for integrated solutions that encompass several areas of activity simultaneously. At the same time, management practice continues to demonstrate a tendency toward the autonomization of business directions, which manifests itself in the formation of separate systems of goals, budgets, and performance indicators. Such fragmentation leads to the emergence of a "silo effect," when individual

directions optimize their own results at the expense of overall organizational objectives, which negatively affects the integrity of enterprise development.

Digital transformation and the active adoption of modern information technologies, including analytical platforms and artificial intelligence-based solutions, on the one hand, expand opportunities for cooperation among business directions, and on the other hand, exacerbate the problem of its organizational support. In the absence of agreed interaction rules, common data standards, and a shared vision of priorities, digital initiatives are often implemented in isolation, which reduces their overall effect on enterprise development.

An additional factor complicating cooperation is the transformation of work organization forms, particularly the spread of hybrid and remote work formats. Under such conditions, the role of informal horizontal ties decreases, while the need for formalized coordination mechanisms among business directions increases. The lack of such mechanisms leads to reduced process transparency, duplication of functions, and slower managerial decision-making.

In academic research, issues of interaction among structural units are mainly considered through the prism of cross-functional coordination or the process approach. At the same time, cooperation among business directions as interaction among autonomous responsibility centers remains insufficiently conceptualized, which limits the possibilities for forming holistic organizational models capable of generating a synergistic effect from combining different areas of enterprise activity.

Thus, a scientific and practical problem arises that consists in the need for theoretical comprehension of cooperation among business directions as an independent organizational component of enterprise development and the development of approaches to its formation and management. Solving this problem will create a foundation for improving the coherence of managerial decisions, strengthening innovation potential, and ensuring sustainable enterprise development in the long term.

2 Literature Review

The issue of cooperation among business directions is increasingly examined through the lenses of value creation, organizational coordination, and the managerial challenges associated with digital transformation. Contemporary research emphasizes that sustainable enterprise development depends not only on the performance of individual units but also on the firm's ability to align objectives, integrate resources, and orchestrate interdependencies across internal domains. In this context, cooperation among business directions can be interpreted as an organizational mechanism that supports synergy, strategic coherence, and adaptive capacity.

Barney, Mackey, and Mahoney (2021) conceptualize value creation and appropriation within a stakeholder-oriented strategic logic, arguing that firms must manage trade-offs among stakeholders while maintaining competitive advantage. This view is relevant for cooperation among business directions because internal units often represent different stakeholder priorities and performance logics. Effective cooperation, therefore, becomes a prerequisite for balancing interests and ensuring that value creation is coordinated across the enterprise rather than fragmented within separate business directions.

From the perspective of business model development and innovation, Bouncken, Kraus, and Roig-Tierno (2021) highlight the role of knowledge-based and innovation-driven business models in achieving future growth, stressing that digitalized business models require portfolio-level considerations. This argument supports the idea that cooperation among business directions is essential for managing a firm's internal portfolio of activities and competencies. When business directions operate as isolated "silos," the enterprise risks duplicating efforts and failing to leverage complementary capabilities, which reduces innovation outcomes and weakens organizational development.

Methodologically, Denyer, Tranfield, and Van Aken (2021) emphasize the value of research synthesis for developing design propositions that can bridge theory and managerial practice. Their approach is important for studies on cooperation mechanisms because it supports the development of actionable organizational models (e.g., hybrid coordination structures, shared performance systems, and institutionalized collaboration routines). In other words, cooperation among business directions should not remain a purely conceptual construct; it requires design-oriented frameworks that translate theoretical insights into implementable managerial solutions.

Digital transformation literature further reinforces the significance of internal cooperation. Kane et al. (2021) argue that technology is not the primary determinant of transformation success; rather, people, leadership, and organizational capabilities shape whether digital initiatives deliver results. This insight implies that cooperation among business directions is a governance and culture issue as much as a technological one. Without coordinated decision-making, shared priorities, and aligned incentives, digital platforms and tools may intensify fragmentation instead of enabling integration.

Kohtamäki et al. (2021) examine the relationship between digitalization and servitization, showing that servitization helps firms capture the financial potential of digitalization. This finding suggests that cooperation among business directions becomes increasingly important when enterprises pursue service-oriented and customer-value-driven strategies. Servitization typically requires end-to-end coordination across

product, service, marketing, and support functions, which cannot be achieved effectively if business directions remain organizationally disconnected.

Finally, Meyer, Li, and Schotter (2022) analyze coordination and governance challenges in global value chains, focusing on interdependence and the need for effective management of complex relationships. Although their analysis primarily addresses external networks, the logic of interdependence and governance is equally applicable within enterprises that manage multiple business directions. Internal cooperation can be viewed as an “intra-firm value chain governance” mechanism that reduces coordination costs, improves alignment, and strengthens the enterprise’s capacity to deliver integrated outcomes.

Overall, the reviewed literature indicates that cooperation among business directions should be understood as an organizational capability that links stakeholder-oriented value creation, innovation and business model development, and digital transformation governance. This body of research supports the necessity of developing institutionalized cooperation mechanisms – such as hybrid coordination models, shared performance indicators, and cross-directional teams – to ensure organizational development under conditions of complexity and rapid change.

3 Analysis of Cooperation of Business Areas in Modern Conditions of Enterprise Development

Cooperation among business directions in the contemporary conditions of enterprise development emerges as a complex and multidimensional phenomenon that goes beyond the traditional understanding of intra-organizational interaction. In classical interpretations, cooperation is considered a form of joint activity aimed at achieving coordinated goals through the combination of participants’ resources and efforts. In the context of enterprise activity, this concept acquires a specific meaning, as it refers not to the interaction of individual employees or departments, but to relatively autonomous business directions, each of which has its own development logic, market orientation, and performance system.

The economic essence of cooperation among business directions lies in the creation of additional value that arises from the integration of resources, competencies, and managerial decisions of different directions. This additional value manifests itself in the form of a synergistic effect, when the overall result of joint activity exceeds the simple sum of the results of individual business directions. At the same time, cooperation does not imply the loss of autonomy of directions, but rather presupposes the preservation of their specialization while ensuring the coordination of key operational parameters (O'Reilly, Tushman, 2021).

In the context of organizational development, cooperation among business directions acts as a

mechanism for qualitative changes in the management system and the structure of interrelationships. It facilitates the transition from rigid hierarchical models to more flexible, network-based, and matrix organizational forms in which considerable attention is paid to horizontal linkages. Thus, cooperation is viewed not only as a tool for increasing current efficiency but also as a factor in the transformation of the organization.

The essence of cooperation among business directions can be revealed through a combination of the process and systems approaches. From the process approach perspective, cooperation represents a set of coordinated actions, procedures, and decisions aimed at joint planning, implementation, and control of the activities of different directions (Raisch, Zimmermann, Cardinal, 2021). From the systems perspective, it functions as an element of the enterprise’s internal architecture that ensures the integrity and balanced development of the entire organizational system.

An important characteristic of cooperation among business directions is its purposeful nature. It is formed not spontaneously but within the framework of a defined enterprise development strategy and is based on a shared vision of the future. This means that cooperation must be institutionalized through appropriate managerial mechanisms, including interaction regulations, motivation systems, information platforms, and decision-making procedures. Without such an institutional foundation, cooperative relationships remain unstable and ineffective. Cooperation among business directions in the context of organizational development should be interpreted as a purposeful and institutionally supported process of coordinated interaction among autonomous business directions of an enterprise, aimed at generating a synergistic effect and achieving strategic development goals. Such an understanding allows cooperation to be considered not as an auxiliary management element but as one of the fundamental organizational prerequisites for enhancing enterprise competitiveness and sustainability (Teece, 2022).

In modern management theory and practice, several approaches to organizing interaction among business directions have been formed, which differ in the degree of integration, level of formalization, and managerial logic. Their emergence is conditioned by (driven by) the evolution of organizational structures from rigid hierarchical models to more flexible and network-based forms that emphasize horizontal relationships (Volberda, Van Den Bosch, Heij, 2021). The analysis of these approaches makes it possible to determine how effectively they contribute to cooperation among business directions and what limitations restrain their practical application (Table 1).

The functional-hierarchical approach involves organizing interaction among business directions through vertical management channels. Coordination is ensured at the top-management level, which aligns

TABLE 1 Comparative Characteristics of Modern Approaches to Organizing Interaction among Business Directions

Approach	Essence	Main Advantages	Main Limitations
Functional-Hierarchical	Coordination through vertical management levels	Clear responsibility, simplified control	Slow decision-making, weak horizontal interaction
Process-Oriented	Integration through end-to-end business processes	Action alignment, reduction of duplication	Complexity of process modeling, high implementation costs
Matrix	Combination of business directions and functional units	Flexibility, shared resource utilization	Conflicts of authority
Team-Network	Cross-directional teams	High adaptability, rapid response	Instability of relationships
Platform-Digital	Unified digital interaction environments	Transparency, data accessibility	Dependence on organizational culture

Source: developed by the author

goals and allocates resources among directions. The advantage of this approach lies in clear accountability and simplicity of control; however, its significant limitation is the low speed of decision-making and the weak development of horizontal cooperation (Warner, Wäger, 2022).

The process-oriented approach is based on the integration of business directions through shared business processes aimed at creating customer value. Within this approach, interaction is structured around end-to-end processes that encompass several areas of activity. Its advantage is the increased alignment of actions and reduction of functional duplication; however, the complexity of process modeling and the high costs of their maintenance may hinder widespread implementation. The matrix approach provides for the combination of business directions and functional units within a single system of dual subordination. Such a model creates prerequisites for intensive cooperation and shared resource utilization. At the same time, its weak point is the risk of conflicts of authority and blurred responsibility, which necessitates a high level of managerial maturity (Winter, Szulanski, 2023).

The team-network approach is based on the formation of cross-directional teams for the implementation of strategic initiatives and projects. In this case, interaction is organized around shared results rather than organizational boundaries. The advantage of this approach is high flexibility and rapid responsiveness to change; however, its limitation may be the instability of team relationships and the difficulty of scaling such solutions. The platform-digital approach involves the use of unified digital platforms for data exchange, decision coordination, and performance monitoring. It forms the technical foundation for the development of cooperation among business directions; however, by itself it does not guarantee effective interaction without accompanying organizational and cultural changes.

The generalization of the analysis indicates that none of the approaches is universal. The most effective solution is their combination, adapted to the enterprise's strategy and level of maturity, which

determines the necessity of forming hybrid models for organizing interaction among business directions that integrate structural, process, and team-based elements (Kharytonova, Biloshkurskyi, 2025).

Cooperation among business directions in enterprise activity is manifested in various forms that reflect the ways of combining resources, competencies, and managerial efforts to achieve common results. The identification and systematization of such forms constitute a necessary prerequisite for forming a holistic understanding of interaction mechanisms among directions and their role in ensuring organizational development. Within the study, forms of cooperation are considered as stable types of interaction that differ in content, implementation tools, and expected effects.

One of the basic forms is resource cooperation, which consists in the joint use of material, financial, informational, and human resources by different business directions. It enables cost reduction, avoidance of duplicated investments, and more complete utilization of existing capacities. Resource cooperation forms the basis for improving the economic efficiency of enterprise activity, while requiring transparent rules for resource allocation and responsibility for their use.

Another important form is process cooperation, which provides for the alignment and integration of business processes among directions. In this case, interaction is built around end-to-end customer value creation processes that encompass several areas of activity. Process cooperation contributes to shortening operational cycles, improving the quality of products and services, and enhancing customer experience (Petrukha, Petrukha, 2021).

A significant role under modern conditions is played by information and communication cooperation, which consists in organizing systematic exchange of data, knowledge, and analytical information among business directions. It ensures the formation of a unified enterprise information space and increases the soundness of managerial decisions. Without developed information cooperation, other forms of interaction lose a significant part of their effectiveness.

It is also advisable to distinguish innovation cooperation, which provides for the joint participation of business directions in the development and implementation of new products, technologies, and business models. This form of cooperation facilitates the concentration of diverse competencies and accelerates innovation processes. It is particularly important for enterprises operating in dynamic and technologically intensive industries.

The systematization of forms of cooperation among business directions is complemented by defining the principles on which their implementation should be based. The key principles include systemness, goal alignment, transparency of interaction, mutual responsibility, balance of interests, and result orientation. Observance of these principles ensures the sustainability of cooperative relationships and creates prerequisites for transforming cooperation among business directions into an effective instrument of organizational development of the enterprise.

4. Research into Existing Barriers and Challenges That Hinder Cooperation among Business Directions in Enterprise Development

Cooperation among business directions in a modern enterprise acts not only as a tool for coordinating current activities but also as one of the determining factors of organizational development. Its influence is manifested through changes in the nature of internal linkages, decision-making logic, and methods of resource utilization. As a result, cooperation creates conditions for increasing organizational adaptability, strengthening innovative capacity, and improving the efficiency of using existing potential (Table 2).

The impact of cooperation on enterprise adaptability primarily lies in the ability to quickly coordinate actions among business directions in response to changes in the external environment. When stable cooperative relationships exist, information about market trends, changes in demand, or technological innovations is promptly disseminated among directions, enabling faster adjustment of strategies and operational plans. Thus,

adaptation ceases to be the function of individual units and acquires a systemic character. Cooperation among business directions also significantly affects organizational innovation. The joint participation of different directions in the development of new products and solutions ensures the integration of technological, market, and managerial competencies, which reduces the risk of one-sided decisions and increases the likelihood of creating complex innovations with real commercial value. In such an environment, innovations become the result of collective interaction rather than isolated initiatives (Ryzhakova, Petrukha, Petrukha, Krupelnytska, Hudenko, 2022).

An important consequence of cooperation is the improvement of resource use efficiency. Alignment of the needs and capabilities of business directions makes it possible to avoid duplication of functions, excessive investments, and inefficient utilization of capacities. Resources begin to be viewed not as the property of an individual direction but as a shared enterprise asset directed toward achieving overall organizational goals. The systemic nature of cooperation’s impact is manifested in the mutual reinforcement of the above parameters. Increased adaptability creates conditions for faster innovation implementation; innovativeness enhances returns on resources; and efficient resource utilization, in turn, expands opportunities for further development. Thus, a closed loop of positive change is formed, at the center of which lies cooperation among business directions.

Therefore, cooperation among business directions should be considered one of the key drivers of enterprise organizational development. Its impact on adaptability, innovativeness, and resource use efficiency is complex in nature and ensures the formation of sustainable competitive advantages in the long term.

Effective implementation and improvement of mechanisms for cooperation among business directions require a purposeful and systemic approach that encompasses strategic, organizational, process, and cultural levels of management. First and foremost, it is advisable to integrate the idea of cooperation into the overall enterprise development strategy, defining it as one of the priority directions of organizational

TABLE 2 Impact of Cooperation among Business Directions on Organizational Development Parameters

Organizational Development Parameter	Manifestations of Cooperation Impact	Expected Results
Adaptability	Rapid information exchange, coordination of decisions, joint response to changes	Reduced response time, increased flexibility
Innovativeness	Integration of diverse competencies, cross-directional teams	Growth in the number and quality of innovations
Resource use efficiency	Joint planning, avoidance of duplication, optimization of utilization	Cost reduction, higher resource returns

Source: developed by the author

change. This involves forming a shared vision of the role of interaction among business directions and fixing appropriate guidelines in strategic documents. An important practical recommendation is the creation of formalized organizational structures or roles responsible for coordination among business directions. Such structures may include coordination committees, transformation offices, or owners of end-to-end processes. Their task is to align goals, priorities, and resources, as well as to resolve potential conflicts among directions. The next step should be the introduction of cross-directional teams for the implementation of strategically important projects and initiatives. Such teams should be composed of representatives of different business directions and have clearly defined authority and responsibility, which will contribute to the development of horizontal linkages, knowledge exchange, and the formation of shared responsibility for results.

Significant importance should be given to aligning the performance measurement system. It is recommended to complement individual KPIs of business directions with shared indicators that reflect cooperation results (for example, quality of end-to-end processes, time-to-market, customer satisfaction level). This approach will encourage managers and teams to focus not only on local but also on overall organizational outcomes. To support cooperation, it is advisable to develop a unified enterprise information space based on modern digital platforms, which will ensure data transparency, access to shared analytical tools, and the possibility of rapid communication among business directions. At the same time, attention should be paid to data standardization and regulations for working with information. The final, but no less important, element is the formation of an organizational culture of collaboration, which involves supporting the values of mutual trust, openness, and orientation toward shared results, as well as developing managerial competencies necessary for working under conditions of cooperation. The comprehensive implementation of these recommendations will create a foundation for the sustainable functioning of mechanisms for cooperation among business directions and for improving the effectiveness of the enterprise management system.

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5 Conclusions

In the course of the study, the economic content and essence of the concept of cooperation among business directions were clarified as a purposeful and institutionally supported process of coordinated interaction among autonomous components of the enterprise aimed at generating a synergistic effect and achieving strategic development goals. It is proven that cooperation among business directions goes beyond traditional cross-functional interaction and should be considered an independent organizational category closely related to the transformation of management systems and structural relationships within the enterprise. Based on the analysis of modern approaches to organizing interaction among business directions, it is established that each approach has its own advantages and limitations, and their isolated application does not fully ensure the required level of coherence and flexibility. The expediency of using combined, hybrid models that integrate elements of hierarchical, process-oriented, matrix, team-network, and platform-digital approaches depending on the enterprise's strategy and level of organizational maturity is substantiated.

The systematization of forms and principles of cooperation among business directions made it possible to distinguish resource, process, information and communication, and innovation forms of interaction, the integrated implementation of which creates a foundation for increasing adaptability, innovativeness, and efficiency of resource utilization. It is proven that cooperation acts as one of the key drivers of organizational development, ensuring the mutual reinforcement of these parameters and the formation of sustainable competitive advantages. The developed practical recommendations for the implementation and improvement of mechanisms for cooperation among business directions are aimed at integrating collaboration ideas into enterprise strategy, establishing coordination structures, developing cross-directional teams, aligning performance measurement systems, and forming a culture of interaction. Their implementation will contribute to improving the effectiveness of managerial decisions and ensuring sustainable enterprise development in the long term.

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